Insurance and Real Estate Committee
JOINT FAVORABLE REPORT

Bill No: HB-5378 / Bill Status / Public Hearing Testimony
Title: AN ACT CONCERNING SELF-FUNDED MULTIPLE EMPLOYER WELFARE ARRANGEMENTS AND REQUIRING A STUDY OF THE FEASIBILITY OF ESTABLISHING THE CONNECTICUT OPTION PROGRAM AND MULTIPLE EMPLOYER WELFARE ARRANGEMENTS.
Vote Date: 3/12/2026
Vote Action: Joint Favorable Substitute
PH Date: 3/3/2026
File No.:

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SPONSORS OF BILL:

Insurance and Real Estate Committee

REASONS FOR BILL:

The bill seeks to approve self-funded multiple employer welfare arrangements (MEWAs) in the state and create a feasibility study on establishing the Connecticut Option program, which would lower costs for small businesses and nonprofits through a preferred network of providers. Most proponents, featuring business owners and organizational leaders, claim that health insurance premiums are up, and affordability has never been lower. The legislation would allow employers to group up and secure better care coverage, which has received extensive testimony in opposition. Many argue that MEWAs clash with elements of the Affordable Care Act, aren't subject to enough regulation, and disproportionally affect recipients on the account of disability status, race, health, and age.

SUBSTITUTE LANGUAGE:

Substitute language was used in HB 5378 to refine and strengthen the regulatory framework governing self-funded MEWAs. The revised language prohibits the commissioner from issuing a license to a self-funded MEWA trust unless it demonstrates an initial combined capital and surplus of at least $4 million, or another amount as determined by the commissioner. It also requires that health benefit plans offered by self-funded MEWA trusts covering employees of one or more participating employers include coverage for essential health benefits, as defined under the federal Patient Protection and Affordable Care Act, which ensures that employees covered by self-funded MEWA plans receive a minimum standard of comprehensive health coverage. Finally, the Substitute langue makes minor and technical changes.

RESPONSE FROM ADMINISTRATION/AGENCY:

Office of the Healthcare Advocate, Healthcare Advocate, Kathleen Holt:
OHA supports further study of MEWAs but opposes any attempt to authorize them until the feasibility and impacts on the healthcare and health insurance markets are more fully understood. The Office believes the bill inadequately ensures that cost-saving benefits will come from the exercise of downward pressure on health care prices. Ms. Holt notes a potential ACA-related loophole where there are overlaps in rating strategies. She fears premiums could increase significantly and that safeguards and revisions have the potential to serve their purpose for small businesses.

Office of the Healthcare Advocate, Sean King:
Submits supplemental information and references for the committee's consideration, including four links and explanations that expand upon previous comments made by OHA.

Commission on Racial Equity in Public Health, Commission Analyst, Gretchen Shugarts:
Outlines that MEWAs are not health insurance. The Commission's main concerns include: underwriting falling on the employer, increased discrimination of employees, limited state oversight, susceptibility to bankruptcy risks, and non-compliance with the ACA. Ms. Shughart concludes that expertssay rate0setting by health status will disadvantage people of color and those with disabilities.

NATURE AND SOURCES OF SUPPORT:

Connecticut's Credit Unions, President & CEO, Bruce Adams:
Supports the bill, as it represents the latest chapter in a multi-year effort to end what he calls an "unfair regressive" tax on small businesses. Mr. Adams finds the model to be both workable and sustainable. Additionally, he points out that Maine and Montana are prime leaders with respect to successful MEWAs, stating Connecticut should join these states to tackle rising costs.

Central Connecticut Chambers of Commerce, President & CEO, Katie D'Agostino:
West Hartford Chamber of Commerce, President & CEO, Chris Conway:
Greater Norwalk Chamber of Commerce, President & CEO, Shannon Giandurco:
Connecticut River Valley Chamber of Commerce, President, Jessica Olander:
Greater Danbury Chamber of Commerce, President & CEO, Maura Ruby:
Greater New Haven Chamber of Commerce, President, Garrett Sheehan:
Chamber of Commerce of Eastern Connecticut, President & CEO, Tony Sheridan:
Middlesex County Chamber of Commerce, Haley Stafford:
Waterbury Regional Chamber of Commerce, President & CEO, Lynn Ward:
On behalf of their business membership organizations, they support the bill. They believe legalizing AHPs offers a structured and predictable path forward, as they underscore the importance of a self-funded insurance pool and argue that actuarially sound rating methodologies help land strong health benefit plans. The leaders align their final points with smaller employers, finding that they, too, need access to negotiating powers and structured mechanisms.

Highstreet Insurance & Financial Services, Vice President of Client Development, Ryan Allaire:
Reachout Inc, Director, Elaine Balsley:
Prime Electric LLC, Owner, Susan Beausoleil:
Bergenn Financial Group, President, Eric Bergenn:
Connecticut Business & Industry Association, Policy Director, Grace Brangwynne:
Cominfortainment Inc, Owner, Darlene Briggs:
Community Mental Health Affiliates, President & CEO, Grace Cavallo:
Cavanaugh and Company LLC, Owner, Juliet Cavanaugh:
Great Rock Management, Owner, David Coleman:
D&D Stores Inc, Owner, Daniel D'Aprile Sr.:
Connecticut Restaurant Association, CEO, Scott Dolch:
Bristol Adult Resource Center, Executive Director, Mary Etter:
Modern Woman Health and Wellness Center, CEO, Jeff Gonzalez:
Community Mental Health Affiliates, Government Relations Coordinator, Meaghan Gorman:
Skyline Financial Federal Credit Union, President & CEO, James Higgins:
Community Mental Health Affiliates, Chief Human Capital Officer, Stacey Hofmann:
Connecticut Heating & Cooling Contractors Association, Executive Director, Jenn Jennings:
National Federation of Independent Business, State Director, Andy Markowski:
The Long Hill Estate Authority, Executive Director, Megan Bush:
Connecticut Bankers Association, President & CEO, Thomas Mongellow:
Magnified Home Inspections LLC, Owner, Louis Nero Jr.:
Flour Girl Bakery LLC, Founder & Owner, Michelle Nicholson:
Northeastern Retail Lumber Association, Director of Government Affairs, Francis Palasieski:
Connecticut Land Conservation Council, Executive Director, Amy Blaymore Paterson:
Home Builders & Remodelers Association of Connecticut, CEO, Jim Perras:
Independent Electrical Contractors of New England, Executive Director, Allie Rinaldi:
Fascia's Chocolates, President, Carmen Romeo:
Connecticut Community Nonprofit Alliance, Director of Public Policy and Advocacy, Ben Shaiken:
Jerry's Artarama of Connecticut, Owner, Andrew Shoham:
Third Party Administrator, Retired Owner, James Stirling:
SoNE Health Medical Group, President, James Uberti:
LVSK Injury Law, Attorney, J. Paul Vance Jr.:
Law Office of Cori-Lynn S. Webber, Owner, Cori-Lynn Webber:
Kenyon International Inc, President, Phil Williams:
Infotech Automation Inc, Owner, Kenneth Yurch:
Robin Imbrogno:
Brian Pskowski:
Echo sentiments that health insurance is one of the most difficult, volatile, and unpredictable costs their clients, staff, and members face, often the deciding factor in keeping/leaving a job or reducing/restructuring programs. They applaud the bill's effort to create a structured and responsible way for the formation of association health plans and for participation in an MEWA trust. They emphasize the needs of small businesses and small business clients, who would benefit from any form of stabilization in health costs, adding that this type of plan could incentivize more new businesses to move in-state.

Connecticut State Medical Society:
Supports the establishment of MEWAs, as small employers (including many physician offices), struggle to provide affordable health insurance. CSMS notes the inclusion of a feasibility study and recognizes the desire to explore additional tools; however, the group recommends that such discussions be approached with deliberation. CSMS comments on the low reimbursement and low Medicaid payment rates, which warrant broader analysis.

SoNE Healthcare, President & CEO, Lisa Trumble:
Supports HB 5378 and its establishment of one of the strongest state oversight frameworks for self-funded MEWAs in the country. She believes the bill enables small employers to pool risk, stabilize premiums, and design benefits that reflect workforce needs, which prohibit discrimination altogether.

Connecticut Association of Health Plans, Executive Director, Susan Halpin:
Provides general comments on the bill, noting it's important to authorize MEWAs and study a Connecticut Option, have them work in tandem, recognize soaring costs in health insurance premiums, and push forward a study that recognizes that an option be made available through private or commercial insurance carriers. They are largely neutral on the bill, but ask that later conversations avoid unintended consequences and focus on market stability and actuarial soundness.

Motor Transport Association of Connecticut, President, John Blair:
Affirms that there has been, and continues to be, a lack of healthcare options in the marketplace to offer his association's membership. After countless conversations/negotiations with health insurance brokers, Mr. Blair supports the bill and its MEWA component, finding future benefits to include better access to health coverage, increased purchasing power, shared administrative costs, and more diverse benefit options.

Connecticut Chapter of the National Association of Benefits and Insurance Professionals, Board Member, Julie Chubet:
Supports the legislation because it allows businesses to group together for greater purchasing power, therefore, allowing businesses in CT to be competitive. She highlights how current membership works with small business owners struggling to find affordable health insurance options, and although this may not be a "one-size-fits-all approach" for everyone, Ms. Chubet believes MEWAs offer affordable and attractive options for businesses and their employees.

House Republican Caucus, House Minority Leader, Vincent Candelora:
Senate Republican Office, State Senator, Jeff Gordon:
Senate Republican Caucus, Senate Minority Leader, Stephen Harding:
Mr. Gordon and Mr. Harding join the House Republicans Caucus in supporting the bipartisan association health plans as a practical, market-based solution. They agree that these would correct imbalances by allowing small businesses to band together and create larger, more stable risk pools. With increased access to affordable coverage, they find that small businesses will have an easier ability to recruit and retain workers.

NATURE AND SOURCES OF OPPOSITION:

AFT Connecticut, Executive Vice President, John Brady:
Opposes the bill because arrangements wouldn't address healthcare affordability and access, but rather “junk insurance.” Mr. Brady urges the committee to reject the expansion of unsafe and insufficient plans, which were brought about by the Affordable Care Act.

American Lung Association in Connecticut, Director of Advocacy, Ruth Canovi:
Full Citizens Group, Co-founder & Executive Director, James Jeter:
Connecticut For All, Organizing Director, Constanza Segovia:
Connecticut Voices for Children, Research & Policy Associate, Ruchi Sheth:
Service Employees International Credit Union, Deputy Director, Stacey Zimmerman:
Oppose the bill, believing the legislation cannot be categorized as a “plan,” discriminates against sticker patients, and segments the marketplace into a competition between young/healthy groups versus individual/small group markets. They note how similar plans have had a history of fraud and urge committee members to oppose legislation that would expand MEWAs in CT.

Middlesex Health, President & CEO, Vincent Capece Jr.:
Trinity Health of New England, Vice President of Government Relations, Dan Keenen:
Connecticut Hospital Association:
Share the committee’s goals of improving affordability; however, oppose the inclusion of the Connecticut Option feasibility study as it would potentially impact provider reimbursement, access to care, and the stability of healthcare delivery. They believe Medicaid underfunding has been a longstanding structural problem and request that MEWAs, should they operate in CT, be subject to consumer protections, solvency requirements, adequacy standards, prompt pay rules, and offer comprehensive benefits.

Connecticut Citizen Action Group, Associate Director, Liz Bupont-Diehl:
Opposes the bill since MEWAs offer false hope to small businesses and nonprofits. She states that their histories of insolvency and poor coverage of essential health benefits don’t deliver the reform and affordable coverage Connecticut needs.

Connecticut Legal Rights Project Inc, Executive Director, Kathleen Flaherty:
Access Health CT, CEO, James Michel:
They do not believe that self-funded multiple-employer welfare arrangements are the answer. Both hold that the bill allows for an employer’s rate to be raised based on risk profiles, which would lend favor to younger, healthier employee groups.

Health Equity Solutions, Senior Manager of Policy, Kally Moquette:
Understands that thousands of Connecticut residents are set to lose their health care coverage in the years ahead, which calls for an evidence-based solution to the crisis, rather than HB 5378’s proposal. Ms. Moquete doesn’t consider MEWAs and AHPs as health insurance and would prefer to have the state invest in policies that uphold longevity and coverage-focused solutions.

Connecticut AFL-CIO, President, Ed Hawthorne:
UConn Health Disparities Institute, Director, Linda Sprague Martinez:
Megan Scharrer, Hartford:
Casey Wells:

Oppose the bill, citing concerns with not requiring MEWAs to cover all essential health benefits or comply with ACA requirements. They believe this will lead to adversely and disproportionately charging higher premiums to people of color, women, and those with pre-existing conditions, therefore perpetuating health inequities.

Senate Democrat Office, Senate President Pro Tempore, Martin Looney:
Is concerned that the plans would create adverse selection for the non-AHP in the state. Mr. Looney adds how AHP underwriting veers sharply away from the ACA's non-discriminatory provisions, which allow for group rates to be charged more based on age, gender, zip code, and more. Because the bill also doesn't track certain parts of the ACA, he cannot trust that the bill would control the price of the underlying healthcare benefits, which would be a "step backward."

Timothy Gabriele, North Haven:
Anonymous 55:
Anonymous 58:
Opposes the bill, citing that non-compliant plans don't mesh well with protections outlined in the Affordable Care Act and lack regulation. Some find these plans to be "risky and dangerous," necessitating a series of regulations to combat the industry and suggesting a focus on providing affordable health care/coverage to CT residents.

Reported by: Zachary Robinson **Date: 3/25/2026**